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Casey Lighting a Fire Under the Burnt-Out CIA

but Problems Persist

By ROBERT C. TOTH
Times Staff Writer

WASHINGTON—Despite an arrogant manner and a tendency to mumble, CIA Director William J. Casey has come a long way, even his critics concede, in restoring morale at the once badly shattered Central Intelligence Agency.

And spending for U.S. intelligence activities has been increased 10%, even though American agents overseas have not exactly been "unleashed" as President Reagan promised during the 1980 election campaign.

U.S. agents conducted about 30 undercover operations in the final year of Jimmy Carter's Administration, the same number as are now in progress.

"There is certainly more enthusiasm for (intelligence) operations now," one official said. "But they are limited by budget constraints, congressional oversight and the fact that this Administration does not yet have a coherent foreign policy which covert operations would be used to support.

"When they get their policy act together," this official predicted, "there will probably be more operations. The Carter Administration needed a moral rationale for such things. Until Afghanistan, they had none and there were virtually no clandestine activities for the first three Carter years.

Excuses Not Needed

"They saw the Soviet invasion as immoral, so gun-running (of Soviet-made arms from Egypt) to the Afghan rebels was justified. These (Reagan) people don't need such excuses," the official said.

But even as Casey and Reagan have moved to reinvigorate the nation's intelligence agencies, new problems have cropped up and some lingering, old problems have taken on new twists. For instance:

—The sordid "gun for hire" exploits of such former Central Intelligence agents as Edwin P. Wilson, who is accused of exporting terrorist equipment to Libya, have raised questions about the activities of CIA men once they leave the agency, especially those who use expertise [illegible]

revived speculation about Russian "moles" inside U.S. intelligence agencies.

—The leaking of U.S. secrets to the press, although greatly reduced, has yet to be stopped.

The most recent case of leaked secrets found White House "hardliners" pitted against CIA "liberals," reversing past patterns, amid almost comic confusion.

The case involved a CIA plan, approved by the White House, to provide several hundred thousand dollars to political activists in Mauritania, an Arab country in northwestern Africa, to counter money funneled to Mauritania by Libya. It was laid before the House and Senate Intelligence committees in June.

House Democrats objected to the operation and wrote a rare letter of protest to Reagan, whereupon the proposal was killed.

Existence of the letter was leaked a month later by White House officials, sources said, in an attempt to embarrass CIA leaders, including Casey and Deputy CIA Director Bobby R. Inman, who opposed efforts to give the CIA domestic spying authority.

The White House officials, led by Richard V. Allen, national security adviser to the President, have pushed for a "stronger" executive order to the intelligence agencies to satisfy the "unleashing" promises made in the campaign and to improve U.S. counterintelligence capabilities.

The comic aspects then began. A Democrat on the House Intelligence Committee, based on second-hand knowledge, told a reporter the CIA plan was aimed at overthrowing, perhaps even assassinating, Libya's Moammar Kadafi. A White House official told a reporter, wrongly, that the target country was Mauritius, which is a black southeast African country. The correct country then was identified to calm the infuriated citizens of Mauritius.

"We shot ourselves in the foot with three countries over a plan that was never approved," one intelligence officer complained. "The KGB must still be laughing."

Radical changes in the executive order covering intelligence agencies, which White House officials sought, will apparently not be made. Most intelligence community officials oppose giving the CIA authority to infiltrate foreign-dominated domestic organizations, both on the principle that such work is better done by the FBI and because getting the CIA into the "domestic spying business" resurrects old fears about the agency for too little prospective gain.

Moreover, the FBI's counterintelligence division "does not need any unleashing," a senior FBI official said. "We have all the scope and range of authority we need to perform our mission." He also implied that he thought the FBI did not need any help from the CIA in its work.

Among congressmen on record against such moves are all the members of the Senate Intelligence Committee, both Republicans and Democrats. As Sen. Malcolm Wallop (R-Wyo.) put it, Reagan will be "pilloried" if he exposes "law abiding Americans to CIA scrutiny."

Concerns of Congress

At least one more draft of a Reagan executive order for the CIA, which is intended to replace the 1978 order issued by Carter, is being written "to reflect the concerns of Congress," according to senior intelligence officials. Its release is expected within a few weeks.

Casey must take some blame for the controversy. Although he backed the intelligence community's view against the White House in the end, he long failed to heed warnings that Congress was not prepared to loosen the reins very much on intelligence activities.

This was part of Casey's larger failure to take Congress seriously during his first six months on the job, congressional and other sources said. He usually sent Inman, a congressional favorite and highly respected professional intelligence officer, to explain his policies to the lawmakers.

"It was a mistake to rely too

much on Inman," a senator said. "We wanted to hear from the top man, to understand the basis of his policies. To send Inman to defend his (Casey's) policies was not being wholly responsive to us."

Another mistake almost cost Casey his job. This was the appointment of a political friend, Max Hugel, as his director of operations, or top CIA "spymaster." Hugel had virtually no experience in intelligence work. He was a businessman and Casey reportedly wanted to repair the CIA's ties to international corporations, which in the past had provided CIA agents with "cover" and even logistical support.

However, CIA professionals were upset with Hugel's selection because of his lack of qualifications and because it politicized the third layer in the CIA—after the director and deputy director—for the first time. It is widely believed that retired CIA men, who maintain close touch with old colleagues still on duty, contributed greatly to the effort that led to Hugel's abrupt departure.

Two former business associates of Hugel, Thomas McNeil and his brother Samuel, reportedly were the source of news stories charging that Hugel had engaged in illegal stock trading practices between 1954 and 1975. Hugel denied the charges but resigned within hours of their publication.

Casey's financial past raised senatorial questions and resulted in an investigation by the Senate Intelligence Committee, spurred by calls for his resignation. The committee has found no irregularities, according to its members.

Casey has other defects as a public official. Now 65 years old, he is a "mumbler" by his own admission. He also can be vague and imprecise on details, and once maintained that the Soviets had 2,000 agents in a Central American country when the total was "plain wrong, nowhere near that number," one official said.

Casey can be hostile and arrogant with the press. He has virtually shut down the CIA to reporters. "Who elected you to tell the American people what they should know?" he once demanded of a critical newsman. "When we think the American people ought to know something, we'll tell them."

But as the first director of Central Intelligence with Cabinet rank, and thanks to his personal rapport with Reagan ("I still call him Ronnie," he has said), Casey has significantly domestic policy, according to several senior officials.

"My impression is that because of his access, he gets in earlier on issues," one official said. "He attends all Cabinet and National Security Council meetings."

Casey has won and retained budget increases almost as large as those of the Defense Department when all other federal budgets are falling. This year's intelligence community funds have risen to the 1973 level after consideration for inflation—which is a measure of the deterioration of the community during the last decade.

"You can't rebuild capabilities overnight," a senior official said. "How long does it take to learn a foreign language fluently? To turn a physicist into a technical analyst? We need three to five years before we can be satisfied."

Under Casey, too, relations between the CIA and its sister agencies in the intelligence community are better than they have ever been, according to officials who were interviewed. This includes relations with the Defense Intelligence Agency and other Pentagon offices that are jealous of the technical spy systems they operate; with the FBI's counterintelligence division; with the National Security Agency and with the intelligence and research division of the State Department, whose political and economic officials in distant embassies provide the bulk of the human intelligence reporting.

Casey achieves this in part by dealing directly with Cabinet officers, such as the secretaries of state and defense, rather than with their intelligence chiefs, as former CIA Director Stansfield Turner often did.

The activities of former CIA agent Wilson, who has made millions of dollars by selling his expertise in fields from explosives to creating phony corporate "fronts," has raised questions about the links he has maintained to current senior CIA employees. It has been suggested that his activities were tacitly sanctioned in hopes of personal gain or obtaining intelligence about Libya or other Arab countries.

Last week, in a highly unusual statement, the CIA denied any "official involvement" by the agency in the activities of Wilson and ex-agent Francis E. Terpil. It had concluded an internal investigation of the case, the CIA said, and had cooperated with congressional and law enforcement investigators. Wilson and Terpil are now indicted

There also is the possibility that U.S. intelligence agencies have been penetrated by Soviet agents. Wilson at one point reportedly tried to buy a U.S. computer program for electronic intelligence gathering and reconnaissance for resale to the Soviets.

In addition, a former CIA man confessed to selling secrets to the KGB, a former CIA guard sold the Soviets highly sensitive data about a U.S. spy satellite and two employees of a CIA contractor sold secret satellite information to the Soviets as well.

CIA officials once boasted that, unlike the KGB, no agency man had ever turned traitor. Now they say that no CIA man has turned traitor for ideology, only for money, in contrast to the main reason for Soviet defections. More broadly, fears are being revived that the CIA has been penetrated either by Americans who have sold out or by KGB men who are so professional that they have not been caught.

Some conservatives even believe the CIA is now so totally penetrated that "revitalizing the agency, instead of starting a new one, would only strengthen the possible KGB penetrators," according to Arnold Beichman, author of an article in Policy Review.

But a senior FBI counterintelligence official said he doubted that there has been lage scale penetration of the CIA or FBI by KGB "moles" as there was in the British secret services several decades ago.

"We have much more sophisticated procedures, including polygraph (lie detector) tests, than they had in prewar and wartime Britain," the official said. "We and the CIA know we're high priority targets for the Soviets, who have a very good service.

"I'm not saying we're immune from some guy going bad. But one of the tests of whether there are 'moles' is how successful our own operations are. If you have a good record, if none are aborted, it's an indication that you aren't penetrated, at least at a high level. We have had a high success rate."

STAT

The Los Angeles Times Reaches for the Top

By Dennis Holder

If there is one thing Otis Chandler wants for the *Los Angeles Times*, the newspaper he built as publisher and now paternally oversees as editor-in-chief and chairman of its parent, Times Mirror Company, it is to be known as the best daily in the whole U.S. of A. Not just to *be* the best, mind you, but to have the reputation, to win the prize, to put on the jeweled diadem and hear Bert Parks sing, "There she is, Miss American Newspaper."

"Together, we are going to push the *New York Times* off its perch," Chandler wrote to Tom Johnson (now publisher) when Johnson joined the *Times* as president in 1977. "Somehow, someday (in spite of the geography, tradition, eastern snobbery and the like) there will be recognized only one superior newspaper and it will be located of all unlikely places—way out West in Indian and smog country—L.A.!!!"

Maybe the question—What's America's best newspaper?—seems a little silly, like asking which are more attractive, blondes or brunettes? But it matters to Otis Chandler, and it matters to the *LA Times*. Californians seem to speak always in Hollywood-hype superlatives—a reaction, perhaps to the state's national renown as "the other coast," the land of Troy Donahue and purple hair—and the Californian who runs the biggest newspaper west of the Hudson is no exception. The *Times* is the most profitable daily in the world, boasts Chandler, though he won't reveal precise figures. It carries the most ad line age, says the annual report. An $8-million electronic news editing system, only now being installed, is the largest ever. The paper is the fattest, [illegible]

...es more newsprint than all the ...ations in France put together.

"The *Los Angeles Times* has kind of a little brother complex," explains a former staffer who now works in another division of Times Mirror, the parent company. "It is like a kid trying to win his father's approval by outdoing the big brother who is the favorite. It brags and shows off and does things just to try to get attention."

A recent promotional campaign, in which the *Times* tooted its own horn in the pages of the nation's other "best" newspapers, lends credibility to the little brother theory of *LA Times* psychology. With full page ads in the *New York Times*, the *Washington Post* and the *Wall Street Journal*, the *Times* reprinted excerpts from its own pages. Boldly headed "F.Y.I.," the promos seemed clearly to say, "Look, Ma. We can do good journalism, too."

Times efforts in the past two years to buy into the inner circles of society and power in Washington may have been ignited by the same kind of insecurity. With a Californian in the White House, the paper has been especially anxious to make a good impression in the nation's capital. In fact, when airline deregulation resulted in fewer transcontinental flights leaving Los Angeles, the *Times* moved deadlines for one edition up 30 minutes so the paper could make the plane to Washington. "We do want our paper on the desks of the president and Congress before they get to work in the morning," says managing editor George Cotliar. "We want to have the same opportunity to influence discussion that the *New York Times* and the *Washington Post* have."

Despite that effort, it has geography against it. The *Los Angeles Times* gets to the White House by 9:00 a.m. and to California legislators and congressional leaders on the Hill shortly after, while the *Washington Post* is at the White House and on congressional doorsteps by 6:00 a.m. and the *New York Times* arrives by 7:30.

In the summer of 1980, the *Times* held what some staffers call its coming-out party in Washington. To celebrate the opening of a new bureau in the International Square complex, about four blocks from the White House, it gave a lavish reception attended by then-President Jimmy Carter, Henry Kissinger and dozens of lesser political stars. "It was just like a debutante party," recalls one Washington bureau reporter. "We all had to shine our shoes and comb our hair and be on our best behavior."

The party was considered so important that staffers on vacation were flown back to Washington for the day. "It was very hush-hush," says one. "We were ... to put the cost on the expense ... that it would be, quote, ... *Times* editor William ...ing reporters in from out ... acknowledges, though, that the party was considered "very important" and was an opportunity for reporters to meet key sources in a social setting.

As the Carter administration packed its bags and the Reagans got ready to move into the White House, Times Mirror hired Don Nellerman, a Capitol Hill lobbyist who had worked for Senators Jacob Javits and Howard Baker to represent the corporation and give it the highest possible profile, especially among Republican decision-makers. One of the new corporate lobbyist's first acts was to arrange a black-tie dinner as part of the inaugural festivities. The affair, in honor of Howard Baker, the new Senate majority leader, was hosted by the corporation, not by the *Times*, but the distinction is so blurred in many minds that president-elect Ronald Reagan and Senator Daniel Moynihan were among those who thanked their hosts, "the *Los Angeles Times*."

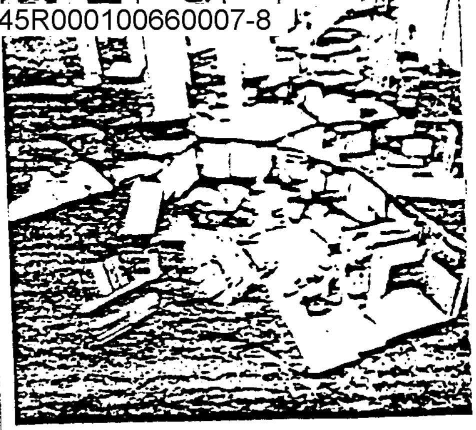
Many *Times* staffers were embarrassed and some were angered by this apparently partisan foray into national politics. Editor Thomas and publisher Johnson were among those who expressed reservations about the affair to corporate higher-ups. Still, as a device for attracting attention, one former Washington reporter admits, "I guess it got us noticed."

Such attention-getting devices may well be explained by the *Times'* little brother complex, but part of the paper's need to be king of the mountain almost certainly is rooted in Chandler's athletic background. Once an Olympic-class shot putter, he has the athlete's mania for winning. At Stanford University he majored in business, economics and journalism, but he studied track and field, weightlifting, swimming and surfing. At 54, associates say, sports still are his greatest passion.

Today, in fact, Chandler's office boasts a full-maned lion, a towering polar bear and another bear of lesser dimension, which overwhelm the plush sofas and windowed walls. Huge stuffed monuments to taxidermy that they are, one suspects that these are also Chandler's totems to excellence—tangible proof that he can prevail over the most dangerous adversaries nature offers.

Sport has a simple code, but Otis Chandler is not a simple man. A short conversation with him will establish that. And he has somehow converted his jock-chic, we're-number-one ethic to the constructive service of the *Los Angeles Times*. Wherever the *Los Angeles Times* runs in the newspaper pack today—first, second or merely in the top five—Otis Chandler rode it there.

On December 4, 1981, the *Los Angeles Times* was 100 years old. It celebrated the centennial year in grand style, sponsoring a 250-foot float in the Tournament of Roses parade and assembling an exhibit of momentous front pages and historic memorabilia in the public lobby of the *Times* building. The paper printed the usual flurry of self-congratulatory essays and features.



Times *newsroom*

For both the paper and the city, the century mark was a major milestone. One hundred years may not be long by eastern standards, but it encompasses nearly the whole era of civilization on the West Coast. The *Times* and Los Angeles grew up together, and their histories intertwine like serpents on a caduceus. Writers who have told the *LA Times* story—notably David Halberstam in *The Powers That Be* and Robert Gottlieb and Irene Wolt in *Thinking Big*—have been fascinated by the grip the newspaper held on the vital organs of the body politic. They have painted the early owners of the *Times* as selfish and capricious feudal lords in a tale of wealth and power liberally spiced with scandal, corruption, intrigue and plain old meanness.

The *Times* has been powerful in Los Angeles, of course, and it remains so. But to examine the newspaper in that context, even to think of it as 100 years old, may obscure an essential truth. It is a young newspaper. The first three generations of *Times* family owners—Harrison Gray Otis, Harry Chandler and Norman Chandler—built a company, an institution, and their influence continues. But today's *Los Angele[s] Times*, the little-brother newspaper challenging the perch of the *New York Times* is much younger, a newcomer even in it[s] own home town. The *Times* as we know it was born barely 22 years ago on Apr[il] 11, 1960.

On that day, according to Gottlie[b] and Wolt, Norman Chandler called to gether the cream of California's govern ment, business and publishing establish ment for a surprise announcement. H[e] waxed windy about how the city ha[d] built the newspaper and vice-versa a[nd] then turned to his son: "I hereby a[p]point, effective this minute, Otis Cha[n]dler to the position of publisher of t[he] *Los Angeles Times*, the fourth in its 7[9-]year history."

The Future According to Tom Johnson

LA Times publisher Tom Johnson was originally recommended to Times owner Otis Chandler by no less a figure than President Lyndon B. Johnson, whom Tom Johnson served in the White House as press aide and as special assistant when LBJ returned to Texas. In 1973, Tom Johnson joined the Times Mirror Company as editor of the Dallas Times Herald. *Four years later, he moved to the* Los Angeles Times *as its president and in 1980, at 38, became its publisher. WJR asked Johnson about the future of newspapers.*

WJR: What most threatens big city newspapers?

JOHNSON: The cost of [newspaper] distribution continues to be a serious problem compared with the low cost of distributing a broadcast signal in a market. The escalating cost of newsprint represents a problem. Competition for time represents a serious problem. There are so many competing forces today in society—recreation, entertainment, travel, television—that the pressure on reading time is quite significant. In order to address that, we're trying to make this paper so good that people in this market can't afford not to read it.

WJR: What do you see as the future role of the big city newspaper considering the rapid growth of suburban papers?

JOHNSON: I expect competition to intensify from suburban dailies. Major dailies such as the *Los Angeles Times* will need to respond to that in a variety of ways. We must make our present sections so good that suburban readers will continue to need to read [them]. We cannot neglect the coverage of local news in the markets that are being served by these suburban papers. The *Los Angeles Times* does that twice a week now in seven geographic zones. We must accelerate that both for news and for advertisers. Some advertisers in those suburban areas cannot afford to purchase the full run *Los Angeles Times*, but they can afford to buy into high quality suburban sections. We intend to increase the emphasis placed on suburban coverage including such highly popular areas as high school sports and community news. We are investing $215 million in new offset presses, enabling us to have larger page capacity, color printing, offset printing. We can make the paper so good in [its] printing quality and in its production quality and in its distribution that we will continue to grow in the suburban markets.

WJR: What will the new technologies mean to the *LA Times*? What if the top 25 percent of the market—the people who are able to buy their own computers—do so and tie into such technology as Compuserve which will give them a choice, of not just the *LA Times*, but the *Washington Post* and the *New York Times*, too?

JOHNSON: The *Times* and Times Mirror are participants in those projects—Compuserve and our own Times Mirror Videotex projects. It is premature to make a judgment on the ultimate outcome of all of this. We

Tom Johnson

simply do not know yet what customers wish to have on their electronic screens that presently appears in the *Los Angeles Times*. I do not expect electronic publishing to invade print in any significant way. It could have impact in classified advertising and in data such as stock market tables and others. But at twenty-five cents, the daily newspaper is still an unbelievable bargain for those who want a package of portable information.

WJR: Which of the technologies will look good in five years?

JOHNSON: It's too early to know. Will the public wish to sit in front of its video screen and call up the type of data found in today's daily newspaper? I don't know.

WJR: Some people foresee a splintering of the media market by cable and other new technologies which might mean that the fears of newspaper publishers—that they will lose their mass market advertisers—will prove groundless. What do you think?

JOHNSON: I think there will be a further splintering of the broadcast market. With 60 to 100 channels available in major cities, advertisers are going to have a more difficult time selecting which channels to use to reach their audience. That provides newspapers with a golden opportunity, particularly the dominant dailies, [which] can deliver large mass circulation and thereby attract back into the newspapers some of [what] was lost to broadcasting in the past two decades. The increased segmentation of the broadcast spectrum, largely the result of cable, will be a major advantage to the sale of newspaper advertising.

WJR: Is Times Mirror still acquisition minded?

JOHNSON: Yes. I think it's important, although I'm responsible for the *Los Angeles Times* only.

WJR: What do you find most promising for big city newspapers today?

JOHNSON: I find in this recession year, 1982, that many major advertisers who deserted newspapers for broadcasting are coming back and finding that newspaper advertising sells and sells well. The best examples of that are the automotive industry, the airline industry, but many others are using newspapers to sell. Peugot, Campbell soup, many others which have traditionally been broadcast accounts are coming back. That is encouraging. Circulation growth is encouraging in many markets. The *Wall Street Journal* is soaring over two million; the *New York Times* is growing with its national edition, our circulation is at an all-time high daily. Newspapers are demonstrating that they can tell the story of this complicated economy, of the Reagan presidency, of this very, very difficult international situation today in a way that broadcasters simply can't.

WJR: Do you want to see the *Los Angeles Herald Examiner* survive?

JOHNSON: I hope that the *Herald Examiner* survives. It has been re-vitalized in its editorial content and in its marketing. We need the *Herald Examiner* in this market because its circulation, when added to our circulation and that of other newspapers in this market, helps to make the case for print as the medium to use when national advertisers look at Southern California in deciding on their advertising budgets. Beyond that, the competition from the *Herald Examiner* is good for us. It is good for our reporters, it is very good for our advertising sales staff and it is good for our circulation sales. I certainly don't want them to be too successful, but I would not want to see the *Herald Examiner* fail.

Los Angeles Times was born

No one argues that the old *LA* was little better than horrid. A right-wing scandal sheet filled with crime news and wire copy, it was run by men who manipulated power in smoke-filled back rooms and were not above a dubious deal. Certainly, the *Times* was no better than its competition, the Hearst papers. Probably, it was worse.

When Otis Chandler was appointed publisher, he was only 32 years old. As the scion of the Chandler family, he had been taught to believe that the business of a newspaper was to make a lot of money. His preparation for the publisher's job consisted of a few courses at Stanford and an owner's training program, in which he worked short stretches in various departments of the *Times* and its afternoon sister, the *Mirror*. He knew no more about journalism than your average first-year reporter.

Chandler had the wisdom to know that he didn't know. That and the idea that, if your product is a newspaper, good journalism is good business and very good journalism is very good business. He made changes cautiously, seeking and listening to the advice of the best professionals he could find. But he did make changes.

Beginning with a no-punches-pulled investigation into the John Birch Society in 1961, the paper began to wrench itself away from the Southern California right-wing establishment. It yanked its political writers out of the back rooms, where they had grown accustomed to issuing marching orders for the California Republican party, and it tackled, for the first time, the questions of public welfare and environmental concern that were anathema to the establishment old guard.

When then-editor Nick Williams recruited Robert Donovan, formerly chief of the *New York Herald Tribune*'s Washington bureau, the *Times* began the long climb to national respect. Donovan, who dismantled the *Times* Washington bureau and put it back together as one of the best beginning in 1963, was among the first in a long string of top-flight reporters systematically hired to replace the old *Times* stable.

For Chandler, the transition could not have been easy. He had to face not only the outrage of community leaders who felt an old ally had turned on them, but also the pressure of tradition within his own family. The Chandlers, after all, had done quite well without rocking any boats.

It may be the *Times*' current policy of not endorsing candidates for major national or state offices is the result of a subtle bow to that pressure. The Chandlers have always been staunch Republi- [illegible] paper has opposed a choice of eternally backing Republicans or alienating his family, the relatively liberal Otis Chandler decided simply to get out of the endorsement business.

Richard Nixon, in fact, was the last presidential candidate endorsed before the policy was changed. The *Times* supported California's native son only after a long and searching editorial board meeting in which Chandler made the final decision, breaking a deadlock. With the *New York Times*, the *Washington Post* and the *Boston Globe* all lined up behind McGovern, the decision must have been painful.

On September 23, 1973, as Nixon's fortunes unraveled in Watergate, the *Times* changed its policy. In a piece entitled "Some Changes in Our Editorial Pages," editorial editor Tony Day argued eloquently that "the wide exposure of the candidates for the top three partisan offices makes our judgment on these dispensable: our readers have more than ample information on which to make up their own minds."

Two paragraphs later, though, he hinted that the *Times* was somehow fettered in its political ideology. "... By abandoning the practice of habitual political endorsements for the major offices," he wrote, "we shall strengthen the ability of this newspaper to comment on the issues and candidates in an election with impartial vigor."

"I think it is a good policy," Day says now. But, he adds, "We may go back to endorsing candidates one of these days."

While Chandler transformed the *Times* into a real newspaper, the Times Mirror Company built a publishing and communications empire. It began by closing down the *Los Angeles Mirror*, a steady money loser, and channeling resources into profitable newspapers, book publishers and broadcast outlets elsewhere. The *Dallas Times Herald* in Texas and *Newsday* on Long Island both were acquired in 1970, and the corporation has expanded steadily ever since. Today, Times Mirror owns seven dailies, seven television stations, a company experimenting with electronic newspapers, several cable TV systems, its own newsprint and forest products company, NAL (hardcover) Books and Signet, Mentor and Meridian paperbacks, a company that produces flight training manuals and aeronautical charts for pilots, and M. Grumbacher, Inc., the art materials manufacturer.

Times Mirror has become a true conglomerate, and Otis Chandler heads it all. In 1980, on the twentieth anniversary of his appointment as publisher, Chandler moved up to chairman of the board. He turned over to current publisher Tom Johnson—the first person from outside the Otis and Chandler families to hold that [illegible]—the new *Los Angeles* with in 1960.

As a business, the *Times* is as successful as ever. Revenues in 1981 reportedly were a record $598 million. Circulation reached a new high on March 31, 1982 of 1,062,707 daily and 1,317,817 Sunday. With an editorial budget of more than $40 million, it fields a news staff of some 1,100, including reporters in seven major U.S. cities outside California and 19 foreign countries.

There's plenty of room to improve, Johnson says. The Sunday magazine is weak. Book coverage is spotty. The six suburban zone sections, not to be confused with full-coverage editions published for San Diego and Orange County, are dismal.

Still, Johnson says, "There's only one other newspaper we can be compared to on a seven-day-a-week basis. That's the *New York Times*."

To find editor William Thomas, do not look in the mammoth newsroom that stretches out in more than a city block of insurance-office cubicles and hospital-white walls on the third floor of the *Los Angeles Times* building. Thomas hardly ever goes there.

His office is one floor down, next to the business offices and the publisher's suite. "This is the corporate floor and this is where there's a hell of a lot of action that concerns the wherewithal to do what we do up on the news floor," Thomas explains. "As editor, I am responsible for the administrative and budgetary functions of the news operation. I have good editors running the newsroom, and I stand back and let them run it."

Thomas may be, in fact, the most laid back, laissez-faire editor in newspapers today. Not only does he say "I don't swing through the newsroom and pat each reporter on the head," he also doesn't believe in dictating iron-clad policies. "I have an aversion to memos," he explains. "Anytime you reduce a judgment to a memo, you get a very simplistic result or you wind up going a lot further than you intended to."

As an example, Thomas mentions a memo he wrote shortly after he was appointed editor in 1971. It called for a halt to the previously common practice of accepting free tickets to sports and entertainment events. "I recently found out I had political writers paying for dinners at political fund-raisers. Well, I never intended that! That's what happens when you put a policy in writing."

Because of Thomas's attitude, the *Times* has no ethics policy and no "Janet Cooke rule" of the kind many papers adopted last year requiring reporters to reveal sources to their editors. "The Janet Cooke episode could not have happened at the *Times*," Thomas says. "Our editors would have spotted the holes in

...be a time when it is important a reporter protect his sources, even from his editors."

"Bill Thomas is one of the few real intellectuals at the paper, even though east coasters will tell you that's not true because he plays golf," says *Times* media critic David Shaw. "But I think, unfortunately, that there are a number of people on this staff who don't have any idea of what Bill Thomas expects or what he stands for," Shaw adds.

"I've never even seen the man," confirms one reporter, who has worked in the *Times* city room more than a year. "I'm not sure he exists."

Thomas confirms his style makes him hard to read. "I don't know if it's true that my people don't know my standards. It may be." But he says there is only one *LA Times* commandment he is willing to chisel in stone:

"News is what people buy newspapers for.

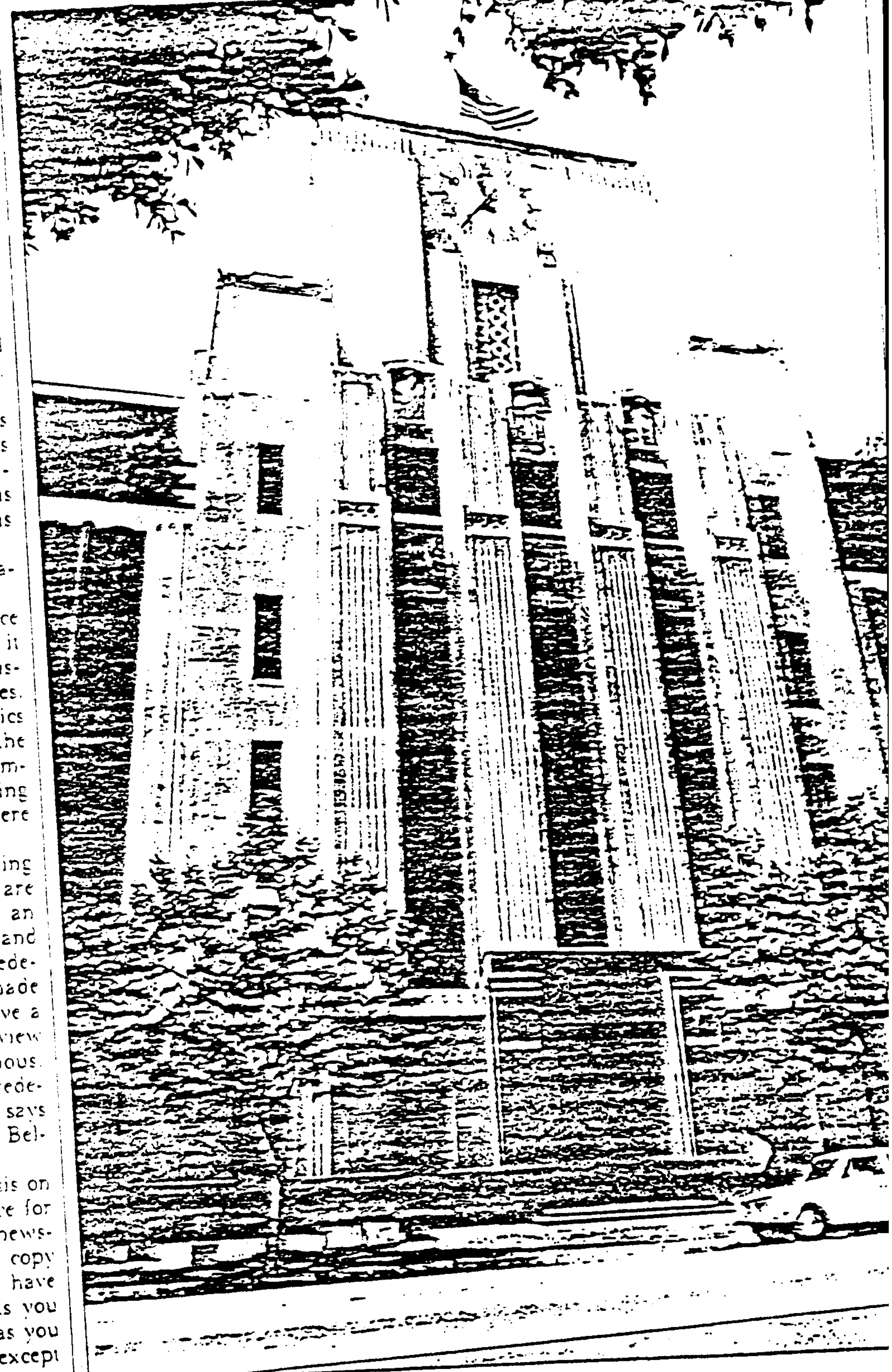
"Our emphasis is on the substance of the news. It is not on graphics, and it never will be. We use pictures to illustrate stories, not to dress up our pages. We don't use a lot of splashy graphics because they take space away from the words. It is the written word that is important. The only thing you're giving readers that they can't get somewhere else is substance."

Because Thomas feels that "looking pretty is nice, but it isn't what we are here for," the *Times* often is called an ugly newspaper. It is gray and bleak and often ponderous. Despite a recent redesign that even included custom-made type faces, the pages of the *Times* have a routine sameness that readers may view as either comfortable or monotonous. "No one would have noticed the redesign if they hadn't announced it," says former *Times* associate editor Jim Bellows.

On the other hand, the emphasis on words makes the *Times* a great place for reporters to work. It is a writer's newspaper. "It's great if you're not a copy editor," one reporter says. "You have time to develop a story as much as you want and space to write as much as you want. You hardly ever get edited except for grammar and punctuation."

"Of course it is a writer's newspaper," responds Thomas, who concedes that copy editors are instructed to go easy on reporters' words. "I think any paper that isn't a writer's paper is headed for the trash heap. We go out of our way to attract good writers, not merely reporters, and we give them a lot of freedom. Sometimes that freedom is abused."

Gaylord Shaw, who recently left the *Times* Washington bureau to become assistant managing editor at Times Mirror's Dallas daily, believes the freedom is abused often. "You see a lot of stories ... inches. You also see reporters who feel they can do a story any way they want, partly because a lot of *Times* editors have no reporting experience and partly because there isn't much discipline there."



Where it all happens—Times Mirror Square

Media critic David Shaw also faults the *Times* for undisciplined writing. Frequently, he says, a news story that deserves straight reporting, such as a murder, is so overwritten that a reader doesn't learn until the fifth or sixth paragraph that someone is dead. "Some of the editors get carried away with the ... about," Shaw says.

Perhaps the most persistent [criti]cism of the *Times*, and one that [is] tied directly to Thomas's hands-off [style], is that much of what is "done" s[imply] "happens." Policy decisions ar[e not] made. In a look at *Times* treatm[ent of] obituaries, David Shaw reported [in De]cember that the paper has no con[sistent] procedure for selecting obituary su[bjects,] deciding how long the death repor[ts should] be or allocating space for them. C[onse]sult of this haphazard approach ... ing to Shaw, was that the longest ...

...as that of boxer Joe Louis. "Did ...oods make a decision that he was ...e important than [Josip Broz] Tito ...[Anwar] Sadat? Of course not. A good writer just happened to be on that night, and he wrote a 118-inch obit," Shaw says.

One of the oddities in the *LA Times* newsroom is that, with Thomas closeted on the second floor, no one has a daily overview of the editorial product. Managing editor George Cotliar, despite his title, is responsible only for the hard news sections of the paper—the first section, metro, sports and business. The soft news—lifestyle, entertainment, fashion, books, real estate and several other special sections—falls under associate editor Jean Taylor. Along with editorial page editor Tony Day, they report to Thomas.

In an article titled "Two Big Stories That the *Times* Muffed" printed in the *Times* on July 27, 1979, David Shaw explained how this division of responsibility works—or does not work. When Columbia Pictures fired David Begelman amid allegations of "unauthorized financial transactions," as a press release delicately put it, the *Times* did not react for weeks. The reason, according to Shaw, was that financial writers assumed the entertainment section would cover the story and entertainment assumed business would get it.

"At the *Los Angeles Times*, neither Taylor nor anyone who works on her staffs reports to—or is represented by—anyone who attends the daily news conference," Shaw wrote. "Unlike their counterparts at the *New York Times*, they have their own, virtually autonomous section each day."

Taylor says changes have been made since the Begelman story was blown and a similar mistake is less likely in the future. Part of the solution, she says, has been to hire reporters with backgrounds in business or finance to shore up the entertainment section. But the structural difficulty remains. At the *LA Times*, the left hand often does not know what the right hand is doing.

The Begelman affair pointed up at least one other shortcoming of the *Times* as well. There is little sense of urgency about the news. Though entertainment is Los Angeles' principal industry, the paper rarely reviews a theater opening the next day. For some stories, the lead time may be as long as a week.

Shaw blames this partly on the lack of head-to-head competition in the city, and Jim Bellows, still scarred from doing battle with the *Times* during his four years as editor of the struggling *Herald Examiner*, agrees. "There is a real arrogance there," Bellows says of the *Times*, where he was once associate editor for eight years. "The *Times* believes that if it didn't write it, it didn't happen.

Thomas says he does not consider the *Herald Examiner* when he thinks of *Times* competition. "There is a competitive factor here that is very real," he says. "It has to do with all the surrounding community newspapers and the broadcast stations. We compete with the *Santa Anna Register* and with the *San Fernando Valley News*."

Then he adds that the *Times* chooses not to react to local competition if it means diminishing the quality or depth of the coverage. "In a very real sense," Thomas says, "our main competitors are the *Washington Post* and the *New York Times*."

Los Angeles Herald Examiner editor Mary Anne Dolan refers to the *Times* as "The Whale." Tom Johnson likens the newspaper in his charge to a mighty ship being towed by a tug.

Both images mean essentially the same thing. The *Times* is a huge, often unwieldy institution, slow to turn and hard to change. It occasionally runs aground and flounders, a victim of its own bulk.

As a general characterization, though, Dolan will concede grudgingly that, if the *Times* is a whale, it is Moby Dick, a fearsome beast indeed. And Johnson argues that quick turns are no longer needed. Chandler took care of that.

"This is an evolutionary process in Los Angeles now," Johnson says. "It is a matter of growing and changing with the people we serve and of fine tuning. A continued program of improvement is needed, and we are pursuing it slowly and carefully. It is taking time, effort and money."

At the moment, some of the effort and giant chunks of the money are going into improving the *Times*' physical plant. The paper currently is in the midst of a $215 million expansion program that includes upgrading its Orange County plant, where the Orange County and San Diego editions are printed, and adding a plant in the San Fernando Valley. It also includes desperately needed presses in the downtown facility.

According to Thomas, press limitations have been the biggest barrier to editorial improvement at the *Times*. With existing presses, no more than 64 pages—four 16-page sections—can be printed at once. That's one reason Cotliar and Taylor divide responsibilities as they do. Taylor supervises the sections in the first run of the seven-section daily product. Cotliar has the "live" sections in the late run. "It has made expansion impossible," Thomas says.

Both Thomas and Johnson say an expanded business section is the first priority after the presses are improved. Johnson adds that, to compete, the suburban sections must be substantially

the current twice a week. A health, science and medical section also is being discussed, and Johnson says, "Many of us harbor aspirations of having a good Sunday magazine." The *New York Times Magazine* is, of course, the model, he says.

"This paper can be better, and it will be," Johnson says, returning to the challenge Chandler set for him when he joined the *Times*. "It can be the best newspaper in the U.S."

Former *Saturday Review* editor and publisher, Norman Cousins, believes the *Los Angeles Times* already is close to its goal. "If we use the term 'best' in the general sense to mean the most complete, the most authoritative, the most authentic, then we are talking about the *New York Times*," says Cousins, who spent most of his years in the New York area but now lives in Los Angeles. "But if we're talking about the best-rounded newspaper and the most interesting, I would say the *LA Times* is best."

A careful reader of both papers, Cousins says the Los Angeles paper "has the lead or is very close to it in foreign reporting." And the long articles exploring off-beat subjects in-depth, an *LA* specialty, are the best magazine writing in America, he adds. The *Times* sports section is more interesting and more comprehensive than major magazines like *Sports Illustrated*.

As Cousins sees it, though, the most important thing about the *LA Times* and its race for first place is the possible effect on other papers. "The *Los Angeles Times* has shown that there exists, outside of New York City, a market for serious journalism at a time when serious journalism seems to have fallen into ill repute. The *Times*' success seems to prove that it is possible to bring people up to a certain standard rather than letting the audience define the product.

"People who run the newspaper," he adds, "are paid to know more than the audience. Surprise them. Give them something of value. Make them think about ideas and angles they would not otherwise have thought of. Give them depth and substance."

It is practically a textbook statement of the approach to newspapering practiced by Otis Chandler, Tom Johnson, Bill Thomas and the *Los Angeles Times*. It can, they believe, make their paper better than the *New York Times*, the best in the country.

Still, the *Los Angeles Times* has only recently come to the ranks of great newspapers. It will have to be superior for quite a long time before the majority of those in the U.S. who care enough about newspapers to have an opinion will agree that it is the best.

Norman Cousins puts it this way: "A newspaper is like an opera singer. It arrives ten years before the rest of the...

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